(ii) Preference shares eligible for capital status;

(iii) Subordinate debt instruments;

(iv) Hybrid debt capital instruments, and

(v) Any other instrument approved as in the nature of capital

(c) Does not arise.

Transactions by Banned Institutions in GTB

† 2118. SHRI RAVI SHANKAR PRASAD:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that those organisations had been granted permission to transact in Global Trust Bank shares which were put under ban during the last few years;

(b) if so, the facts in this regard;

(c) the names of banned organisations which transacted in Global Trust Bank shares togetherwith the amount involved therein; and

(d) whether Government have identified the offenders who are responsible for the said incident and if so, the names thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S PALANIMANICKAM): (a) and (b) Securities & Exchange Board of India (SEBI) has informed that on December 31,2002 an exparte ad-interim order was passed by SEBI against the promoters of GTB and others (numbering in all 50 entities) debarring them from dealing in only securities of GTB till investigation was complete.

A post decisional hearing was given to the said 50 entities during February 2003. On June 13, 2003, order confirming the exparte interim order was passed against Ramesh Gelli, the promoter and his group entities and subsequently final order was passed against the promoter group entities of Global Trust Bank on March 23, 2004 debarring them from dealing in the script of GTB for a period of 18 months with effect from the date of interim order, *i.e.,* December 31,2002.

---

†Original notice of the question was received in Hindi.

The promoter group entities filed an appeal before Securities Appellate Tribunal on April 19, 2004 and the tribunal stayed the order of SEBI for four weeks *vide* order dated May 05, 2004. SEBI preferred an appeal before the Hon'ble Supreme Court and the Hon'ble Supreme Court was pleased to stay the order passed by the tribunal. Thus prohibition order ran its course upto June 30, 2004.

Vide order dated June 06,2003, interim order dated December 31, 2002, was reconfirmed against Ketan Parekh entities. On December 21, 2003, an order was passed debarring Ketan Parekh entities from securities market for a period of 14 years.

In the meanwhile, some of the entities, i.e., Ashok Mittal, Ashok Mittal & Co., Claridges investments, Far East Investments and European Investments preferred an appeal before the Securities Appellate Tribunal seeking to set aside the exparte ad-interim order passed on December 31, 2002. As the case was coming up for hearing before SAT on June 14,2004, keeping in view that SAT would have passed strictures against SEBI as decision on promoters had already been taken earlier and SEBI did not have sufficient ground enough to continue the prohibition, order dated June 12, 2004 was passed directing that the interim order dated December 31, 2002 would cease against the following entities:

1. 20th Century Securities Ltd.
2. Ashok Mittal
3. Ashok Mittal & Co.
4. Brentfield Holdings Ltd.
5. Claridges Investment & Finance Pvt. Ltd.
6. Coral Reef Inv. Co. Ltd.
7. Kallar Kahar (a sub account of the FN CSFB)
8. European Investments Ltd.
9. Far East Investments Ltd.
10. Kensington Investments Ltd.
11. Nishkalp Investigations & Trading Co. Ltd.

12. Phulchand Sons Investments

13. RP&C international a/c coral reef inv. Co. Pvt. Ltd.

14. Vidyut Investments Ltd.

Further, *vide* order dated June 21, 2004, it was directed that the interim order dated December 31, 2002 would cease to exist against the following entities:

1. Nairutya Finstock Pvt. Ltd.

2. Niya Finstock Pvt. Ltd.

3. Niyogi Finstock Pvt. Ltd.

4. Premier Fin & Trading Co. Pvt. Ltd.

5. Sunidhi Consultancy Services Ltd.

(c) and (d) SEBI has conducted an investigation into the trading in the scrip of the Global Trust Bank for the period April 01, 2004 upto July 29, 2004. It has been observed that after completion of the course of prohibition, the following entities have transacted in the scrip of Global Trust Bank upto the period of July 29, 2004, details of which are as under:

Name of the entity	Net quantity of shares sold
Ramesh Gelli	2167318
Premkala Gelli	2256437
Girish Gelli	955651
Annapurna Sridhar	385595
Neeraj Gelli	1486787
M/s. Ashok Mittal & Co.	1537729
M/s. Claridges Investment & Finance Ltd.	733085
M/s. European Investments Ltd.	4665000
M/s. Far East Investments Ltd.	5525000

The investigation has not been completed.